

**COUNTY OF SAN LUIS OBISPO BOARD OF SUPERVISORS
AGENDA ITEM TRANSMITTAL**

(1) DEPARTMENT General Services Agency	(2) MEETING DATE 9/23/2014	(3) CONTACT/PHONE Daniel Milei Interim Director of Information Technology 781-5072	
(4) SUBJECT Request for authorization to submit a letter of intent to the City of Grover Beach regarding the County's participation in the City's fiber cabling project. District 4.			
(5) RECOMMENDED ACTION Authorize the Interim Director of Information Technology, as agent of the County of San Luis Obispo, to sign a Letter of Intent directed to the City of Grover Beach regarding the County's participation in the City's fiber cabling project.			
(6) FUNDING SOURCE(S) Fund Center 230- Capital Projects	(7) CURRENT YEAR FINANCIAL IMPACT \$268,000	(8) ANNUAL FINANCIAL IMPACT \$0.00	(9) BUDGETED? Yes
(10) AGENDA PLACEMENT <input checked="" type="checkbox"/> Consent <input type="checkbox"/> Presentation <input type="checkbox"/> Hearing (Time Est. ____) <input type="checkbox"/> Board Business (Time Est. ____)			
(11) EXECUTED DOCUMENTS <input type="checkbox"/> Resolutions <input type="checkbox"/> Contracts <input type="checkbox"/> Ordinances <input checked="" type="checkbox"/> N/A			
(12) OUTLINE AGREEMENT REQUISITION NUMBER (OAR) N/A		(13) BUDGET ADJUSTMENT REQUIRED? BAR ID Number: N/A <input type="checkbox"/> 4/5 Vote Required <input checked="" type="checkbox"/> N/A	
(14) LOCATION MAP N/A	(15) BUSINESS IMPACT STATEMENT? No	(16) AGENDA ITEM HISTORY <input checked="" type="checkbox"/> N/A Date: _____	
(17) ADMINISTRATIVE OFFICE REVIEW Emily Jackson			
(18) SUPERVISOR DISTRICT(S) District 4.			

County of San Luis Obispo



TO: Board of Supervisors

FROM: General Services Agency / Daniel Milei
Interim Director of Information Technology
781-5072

DATE: 9/23/2014

SUBJECT: Request for authorization to submit a letter of intent to the City of Grover Beach regarding the County's participation in the City's fiber cabling project. District 4.

RECOMMENDATION

Authorize the Interim Director of Information Technology, as agent of the County of San Luis Obispo, to sign a Letter of Intent directed to the City of Grover Beach regarding the County's participation in the City's fiber cabling project.

DISCUSSION

In Fiscal Year 2011-12, a capital project to expand fiber optic cabling to County Health Agency facilities located in Grover Beach was approved and funded. The expansion of fiber optic cabling will provide high speed and reliable data transmission capability to County offices.

In the time elapsed since the project was approved, and prior to the start of any construction by the County, the City of Grover Beach developed a similar plan to expand fiber optic cabling to their facilities throughout the city. Identifying an opportunity to collaborate and reduce costs for these identical projects, the City of Grover Beach proposed a plan to combine the two separate projects into one where each party would pay for their portion of the overall new project at a lower cost than if they were to complete it individually.

The City of Grover Beach is leading the construction project to install fiber optic cabling throughout the city. In order to proceed with the project, the City of Grover Beach is seeking a Letter of Intent from the County of San Luis Obispo that identifies the County's commitment and funding for the County's portion of the project. Without this, the City of Grover Beach is unable to proceed due to limited project funding and their inability to pay for the project if the County does not participate. Initial estimates from the City of Grover Beach place project construction completion in January 2015.

OTHER AGENCY INVOLVEMENT/IMPACT

The City of Grover Beach is partnering with the County to complete this project. County Counsel has approved the Letter of Intent as to form and legal effect.

FINANCIAL CONSIDERATIONS

The Letter of Intent specifies that the County's financial commitment toward the project is the lesser of \$268,000 or 34.23% of the estimated \$783,000 total project costs (which includes engineering, environmental consultant, contractor, inspector of record, construction manager, all project permitting, approval and testing fees or other costs assessed by any

federal, state or local agencies in connection with the project, and change order contingencies). If construction bids for the construction phase of the project, excluding engineering and construction management costs, exceed \$650,000, the County is responsible for its proportional share of engineering costs, not to exceed \$29,331, regardless of whether the project proceeds to construction.

Fiber optic network connectivity to County Health Agency facilities located in Grover Beach will result in an annual savings of \$8,400/year through the elimination of leased data circuits. This this annual savings is greater than the \$5,000 that was included in the FY 2011-12 budget document, when the project was created. This is due to the fact that in FY 2011-12, the Health Agency was paying for two data circuits and now pays for three data circuits. Shared project costs will also result in a one-time savings of \$32,000 for the County, compared to the cost to the County of completing the project on its own.

RESULTS

The Letter of Intent will identify the County's commitment to the combined project and will enable the City of Grover Beach to proceed with the fiber optic construction project. Successful project completion will provide immediate fiber optic network connectivity to County Health Agency facilities located in Grover Beach, future network connectivity with the City of Grover Beach, and future network expansion to County facilities located in Arroyo Grande. Installation of fiber optic connectivity in Grover Beach will also enable future public broadband initiatives to underserved locations in the South County.

ATTACHMENTS

1. Letter of Intent